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RECIPROCITY WITH CUBA

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Within the past three years, reciprocity with Cuba has consumed a large amount of space in newspapers, and has received a vast amount of attention in Congress and at political gatherings. The thought bestowed upon it has been disproportionate to its real importance, in consequence of circumstances which have conspired to bring it forward in a way which would not otherwise have been possible. As a result of all this, the Senate of the United States has given its assent to a treaty of reciprocity with Cuba and that document is now awaiting approval by the House of Representatives. Ratification of this treaty would be a defeat for reciprocity in general which could not easily be retrieved. That being the case, it is not too late to inquire whether we shall after all put our hands to the document under the influence of considerations largely political and sentimental in character, or whether we shall be guided by some larger principles of statesmanship than those which would dictate the hasty ratification of a treaty likely to produce the results already intimated. It is believed that an historical review of our relations with Cuba considered in the light of the general principles of reciprocity will furnish the basis for answering the question of expediency thus propounded.

I.

In considering our reciprocity relations with Cuba, three principal periods should be considered. The first covers the years immediately after 1880 when it was sought to avoid tariff revision in this country by the introduction of a reciprocity policy. This conscious effort to secure reciprocity made its appearance at that time, as will be remembered, chiefly because the tariff was then definitely before the public as an issue; while, in view of an industrial situation which dictated a more liberal policy in regard to raw materials and other prerequisites to manufacturing in competition

with foreign countries, the Republican party scarcely dared to go to the polls with a policy of unmodified protection. Conditions were rendered even more embarrassing by the promises, constantly made from other authoritative Republican sources subsequent to the civil war, to remove duties originally imposed upon manufactured goods because of military necessities.

In the search for some countries which could be induced to go into reciprocity negotiations in a way which would produce the desired results in the United States, it was manifestly impossible to place much reliance upon Europe. The European free-trade movement had already terminated, and in its place there had come an era of discriminating tariffs and a war of duties. Eastern trade had not then developed to a considerable extent. The effort to get into better commercial relations with Canada had been looked upon with disfavor ever since the close of our earlier reciprocity treaty. In short, the only part of the world which seemed thoroughly available as a place in which to develop markets was the continent to the south of us. We had long sought to get a greater control in South America than had actually fallen to our share, and some persons in the United States had been disappointed that our vigorous enunciation of the Monroe doctrine had failed not only to wean the South-American countries from their allegiance to the European nations with which they were most closely allied by blood, but also to draw them to our side, both commercially and politically. It is not to be doubted that during the period from 1880 to 1885 the idea that we might succeed in using reciprocity very much as it had been used in the case of Hawaii was popular with some statesmen. This point of view was manifested in the discussions over the renewal of the Hawaiian treaty as well as in many public utterances of the time. President Cleveland himself, while strongly antagonizing reciprocity as a whole, nevertheless felt called upon to concede to it a certain success in the case of Hawaii, and this later led him to favor the renewal of the Hawaiian treaty even in the face of his own declarations on the general policy therein involved. It is easy to see how men, who were not imbued with Mr. Cleveland's general notions on free trade or with his general opposition to all efforts for foreign dominion, should have readily grasped at reciprocity, not merely as a means of promoting commercial expansion, but also as a scheme for gaining a foothold in foreign countries.

The nature of the movement which was thus actively making in favor of reciprocity may be understood from a study of our efforts to secure reciprocity with Spain in regard to certain of her possessions. These efforts came to a head in 1884 when a treaty was finally negotiated providing for the grant of tariff concessions to us in Cuba and Porto Rico in return for similar reductions to the inhabitants of those islands trading with the United States. There were some features involved in this treaty besides those which related merely to commercial concessions. It was desired to supplement the old treaty of 1795 (with Spain) by some more modern provisions as to commercial freedom, the protection of the rights of persons and property, and the "most favored nation clause" which were not to be found in that document. The main object was, however, to extend our trade to the islands and to obtain such mutual arrangements in regard to shipping as would stimulate our commerce. In the treaty, as actually negotiated, American vessels were granted the same privileges as Spanish vessels in trade between Cuba and Porto Rico and the United States, this privilege applying both to our own goods and to foreign products re-exported from American ports. Certain restrictions and regulations to which our trade had always been subjected in the custom-houses of the Spanish possessions were abrogated by Articles iv, xvii and xviii. Moreover, the levying of new export duties on the products of Cuba and Porto Rico was prohibited. Tonnage duties were to be abolished and it was agreed that no greater internal revenue charges should be levied upon American products in the Spanish islands than upon native products. The abolition of consular fees was stipulated, and it was also ordered that tonnage fees imposed on all American goods shipped to Cuba and Porto Rico against which we had for some time past protested (as equivalent to the levying of a special duty on our merchandise) should also be withdrawn. Full protection to life, property and capital of American citizens in the islands was guaranteed, and the "most favored nation clause," interpreted according to our traditional policy, was recognized. On the basis of these more or less elaborate stipulations, there was built up a structure of mutual commercial concessions. Cuban tobacco, both leaf and manufactured, was granted a reduction of 50 per cent and sugar was relieved of a like proportion of duty. In return for this concession, free admission into Cuba was granted to all kinds of meat,

fish and fowls, lard, butter, cheese, fruits and vegetables and all kinds of grain, except wheat, the duty on which was reduced from \$3.15 per hundred kilograms to fifty cents, while flour was reduced from \$4.70 to \$2.50 and \$1.65 per barrel of different grades. Cattle, hogs and various agricultural productions were to be free. Thus an excellent show of securing openings for our agricultural products was made. The only trouble was that most of these articles were not imported by Cuba at all or were imported in very limited amounts. The real point of the treaty was found in the concessions guaranteed to American manufactured goods. They included almost every kind of material intended for building; all products of cast iron and steel; implements and tools, particularly agricultural; machinery and apparatus of various kinds and materials suitable for the construction of railways, for ship-building, and for other arts. On another long list of articles, large reductions were made and these were amply sufficient in amount to enable our manufacturers to compete with success against foreign producers of these same lines of goods.¹

This treaty was regarded as highly favorable to the United States. Mr. Frelinghuysen, then secretary of state, wrote as follows concerning it:

"The need has long been recognized of some arrangement by which the natural markets of the large communities lying at our doors should be secured under beneficial terms for the principal productions of the United States. In return for this, we grant certain return favors whereby the articles, mainly raw materials or food products which this country does not produce, or produces in inadequate quantities, shall reach their market of consumption in this country. Tariff duties for the most part greater in foreign possessions in respect to manufactures than in the United States in respect to the crude materials we consume, have hitherto operated as obstacles to the desirable natural movement of trade between our ports and theirs. This has been notably the case with the Spanish Antilles. It follows, therefore, that any change which cheapens the price of the necessities of life in Cuba and Porto Rico will increase the demand and so benefit the United States."²

The usual objections to the treaty were of course made.³

¹ A full discussion of this treaty may be found in Senate Executive Document No. 10, 48th Congress, 2d session.

² *Ibid.*, pp. 1-2.

³ Mr. Blaine, when the McKinley act was under discussion, explained the history of the reciprocity treaties with Spain and Mexico, as follows:

"Six years ago the prime minister of Spain, in his anxiety to secure free admission to our markets of the sugar of Cuba and Porto Rico, agreed to a very extensive treaty of reciprocity

It was shown that whereas Cuba and Porto Rico supplied us with only a limited amount of our sugar and tobacco, the price of sugar to the consumer would remain about the same so long as any had to be imported from other countries, and the result would be that what we gave up in the shape of duties would simply go into the hands of Spanish planters in the shape of increased profits without stimulating our trade with the islands through lower prices and, consequently, stronger demand on either side. These objections, however, had comparatively little weight. The sugar production of the United States was inappreciable in amount compared with the total consumption, and there was something to be said in favor of granting concessions to Cuban sugar in order to put the refiners of the Atlantic Coast on more nearly the same basis with those of the Pacific Coast, since it would be possible for them to acquire control of sugar lands in Cuba as the Spreckels and other interests had done in Hawaii. Cuban tobacco, moreover, could not be considered a competitor of American tobacco. The trade of Cuba went predominantly to England and Germany, and it might be expected that the new arrangement would do much to turn it in our direction. On the whole, therefore, the treaty had many commendable features. It was unfortunate that the final arrangements were consummated just as an administration was to go out of office. It was sent to the Senate, but upon the accession of President Cleveland to office in 1885, it was withdrawn for further consideration and possibly for amendment. This action had its indirect as well as its direct effect. A treaty of the same kind with Great Britain covering our trade with the British West India Islands had been in process of negotiation, but these negotiations were broken off when England learned of the withdrawal of the Spanish treaty from the Senate. An agreement very similar to the treaty negotiated with Spain had also been arranged with Santo Domingo. One with Mexico was also under consideration.

with John W. Foster, then our minister at Madrid. A year before, in 1883, a very admirable treaty of reciprocity was negotiated by General Grant and William H. Trescott, as United States commissioners, with the republic of Mexico—a treaty well considered in all parts and all its details—whose results would, I believe, have proved highly advantageous to both countries. Both these treaties of reciprocity failed to secure the approval of Congress, and failed for the express reason that both provided for the free admission of sugar. Congress would not then allow a single pound of sugar to come in free of duty under any circumstances.”—Letter of Secretary Blaine to Senator Frye, *New York Daily Tribune*, July 26, 1890, p. 1, col. 5.

II.

It was not until after 1884, however, that the idea of reciprocity with South America attained full growth and manifested its strength in the appointment of a commission, consisting of three members and a secretary, which was to visit the various South-American countries with the design of promoting trade relations between them and the United States. This visit, which culminated in the International American Conference of 1889, developed very clearly the fact that reciprocity with South-American countries, in order to be successful, must provide for reductions of duty upon either wool or sugar. The protected wool interests of the country were of course altogether too strong to be tampered with, but at the time of the International American Conference the development of the sugar interest had not reached a point where it was unreasonable to expect that its opposition to tariff reductions might be overcome. As the result of this situation, and again with the design of allaying tariff-reform sentiment at the same time that it sought to get rid of the troublesome treasury surplus, the McKinley act provided for reciprocity based upon concessions in sugar, tea, coffee and hides. Of these, only sugar was a real step in the direction of greater liberality since the reciprocity of the McKinley act was little more than a threat to impose duties on the other commodities—tea, coffee and hides—which had previously been free. The adoption of sugar as a reciprocity commodity, however, at least opened half way the door which had been pointed out by the South-American commission in its recommendation that wool and sugar should be used as the basis of reciprocity, they being almost necessarily the only commodities upon which we could hopefully depend in our effort to get into better relations with South America. This too was of special importance as concerned Cuba since that island was one of the South-American countries which would naturally base its reciprocity upon sugar, leaving wool as matter for negotiations with the countries farther to the south. It was in the natural course of events, therefore, that the treaty of June 16, 1891, should be negotiated with Spain acting on behalf of Cuba and Porto Rico. "Owing to existing treaties with other nations," as Mr. Blaine himself expressed the matter, it was necessary to adopt a temporary schedule, but the final provisions of the treaty became operative July 1, 1892.

Like all of the group of the treaties negotiated under the McKinley act, this agreement with Spain, in return for the concessions made in that act, provided for the admission into Cuba and Porto Rico of building materials of various kinds, unmanufactured iron and steel, mining materials, and machinery and railway construction-equipment without duty. It also admitted corn, wheat, wheat flour and various other articles at a considerable reduction of duty. Articles like petroleum, manufactured cotton, leather manufactures, etc., received a reduction of 25 per cent, while many kinds of iron and steel manufactures of a highly developed character as well as preserved meats, sauces, jams and certain other articles were granted a reduction of 50 per cent.

In the case of Cuba as in that of other countries, the object in the reciprocity treaty was to secure admission to that country for all those manufactured goods which we produced in large quantities, but which it was obliged to import either from the United States or from Europe. The underlying principle was to gain the market so far as possible at the expense of European sellers, and in return therefor to admit to our own market the reciprocity commodities enumerated by the McKinley act which were either not produced at all in the United States or in insignificant quantities only, and which, therefore, could not be dreaded as a source of possible injury to American producers.

Those who consider only the gross statistics of trade with the South-American countries which entered into reciprocity agreements with us under the McKinley act, would find it, in most cases, a matter of greater difficulty to recognize any particular effect directly traceable to the new treaty arrangements. Cuba, however, forms an exception. In the case of that island it appears that during a treaty period lasting from September 1, 1891, to August 27, 1894, exports from the United States largely increased, rising from \$13,084,415 during the fiscal year ending June 30, 1890, and \$12,224,888 for the fiscal year ending June 30, 1891, to \$17,953,570 during the fiscal year 1892, and to \$24,157,698 during 1893. Exports fell off again during the year ending June 30, 1894, when they were only \$20,125,321, but the effect of the termination of the treaty was apparently seen during the year July 1, 1894, to July 1, 1895, when exports amounted only to \$12,807,661, although a part of this decline must be attributed to general disturbances in the island.

There was thus a marked increase of trade with Cuba during the life of the reciprocity treaty. Taking the fiscal year ending June 30, 1893, when our trade reached its largest proportions, some idea of the effects of the agreement may be gained by examining the details of our exports. Of the \$24,157,698, which represented our gross shipments to Cuba, the largest items were wheat flour to the amount of \$2,821,557, general machinery \$2,792,000, miscellaneous manufactures of iron and steel \$1,344,000, lard \$4,024,000, lumber \$1,192,000, hams \$761,000, illuminating and lubricating oils \$546,000, bacon \$557,000 and potatoes \$554,000.¹³ In short, it thus appears that our large increase in exports to Cuba was really found in those particular lines which were favored under the reciprocity treaty.⁴ On the other hand, our other exports to Cuba were in exceedingly small amounts. As to imports from Cuba during 1893 (when the gross amount brought to the United States was valued at \$78,706,506 as against a total of \$53,801,591 in 1890), it appears that the increase was narrowly confined to a very few articles. Sugar alone in 1893 amounted to \$60,637,000, or more than the gross aggregate of our imports from Cuba prior to the treaty, while unmanufactured tobacco was about \$9,000,000, a result which makes it evident that little else besides these two commodities came from the island during the year in question. The falling off in American exports after the abrogation of the treaty occurred chiefly in flour, meat products and machinery, while the decline in imports (which fell to \$52,871,259 in 1895) was largely a falling off in sugar. That commodity again reached substantially the level it had found before the McKinley bill was passed.

III.

The practical abrogation of the McKinley treaties in consequence of the passage of the Wilson act in 1894, might have led to a decline in trade with Cuba under any circumstances, but as already intimated, the actual falling off must be attributed in part to general disturbances within the island. It seems to be clear, however, that the loss of the reciprocity treaty with the United States was sharply felt, and when, after the Spanish war, the question of making the Platt amendment an integral part of the Cuban constitution, came up, the

⁴ House Report, No. 2263, 54th Congress, 1st session, pp. 245 ff.

desire of certain sugar interests for reciprocity made its appearance in a distinct form. President McKinley's alleged pledge to the Cubans that they should have a reciprocity treaty with the United States was probably given, if at all, without fully taking account of the fact that a sugar industry had grown up since 1890, which was determined to permit no infringement upon its protected preserves. On the other hand, it is quite likely that Mr. McKinley in making such a pledge—if pledge there was—fully realized that the step would be not displeasing to certain sugar interests in the United States which had acquired control in Cuba. The situation was rendered more difficult by the fact that the Dingley act which had, in 1897, superseded the Democratic legislation of 1894, had not replaced sugar on the list of reciprocity commodities in which treaties might be made solely by executive authority. It was, therefore, necessary that any reciprocity treaty with Cuba should receive the special sanction of the Senate since sugar and tobacco were the only articles in which it would have been worth while for Cuba to negotiate an agreement. Out of such circumstances grew the now familiar Cuban reciprocity struggle of 1901-1903. This struggle was the particular work of President Roosevelt, who on succeeding Mr. McKinley gave an informal pledge to continue the policies of his predecessor so far as practicable. It being supposed that President McKinley had definitely committed himself to the support of reciprocity with Cuba, this, therefore, was one of the inheritances thought to be carried over from the McKinley administration to its successor.

In his first annual message to Congress, presented at the opening of the session, 1901-1902, President Roosevelt used the following words:

"In Cuba such progress has been made toward putting the independent government of the island upon a firm footing that before the present session of the Congress closes this will be an accomplished fact. Cuba will then start as her own mistress; and to the beautiful Queen of the Antilles as she unfolds this new page of her destiny we extend our heartiest greetings and good wishes. Elsewhere I have discussed the question of reciprocity. In the case of Cuba, however, there are weighty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in the tariff duties on Cuban imports into the United States. Cuba has in her constitution affirmed what we desired,

that she should stand, in international affairs, in closer and more friendly relations with us than with any other power; and we are bound by every consideration of honor and expediency, to pass commercial measures in the interest of her material well-being."

He thus unhesitatingly declared himself for Cuban reciprocity. He did more than this. He put the matter before Congress in such a way that it could not escape the consideration of the subject. He did not allow the political tricksters quietly to shirk the reciprocity issue as they had done for several sessions past, but he employed all the machinery at his command to force the issue upon Congress and compel that body to declare itself one way or the other.

As is well known, the issue was finally brought up in Congress apropos of a bill introduced by Chairman Payne, during the session 1901-1902 and providing for a reduction of our duties, conditional upon a similar reduction to be made by Cuba in her tariff. This reduction was to be 20 per cent, but even so small a decrease as this was resisted by our domestic sugar-growing interests in a way that gave rise to the bitterest fight that had taken place within the Republican organization for a long time. How this struggle turned out, how the lower house finally passed the Payne bill with a provision conditioning the reduction of duty upon a recasting of the sugar tariff in a way which would be distinctly distasteful to the refining interests which were supposed to be behind the Cuban reciprocity movement, how the bill was finally sent to the Senate and there ultimately hung up because of the difficulty of passing it without the amendments which were certain to be opposed by the refiners, is now a threadbare story. It was not until President Roosevelt had appealed to the country for support and had made Cuban reciprocity an issue in the Congressional campaign that he could count upon a majority that would assent to Cuban reciprocity. In the meantime, however, the situation in Cuba had materially changed. The taunts hurled in the faces of the Cubans themselves by members of the Congress of the United States, the fact that the price of sugar had improved subsequent to the decision of the Brussels Sugar Conference reached in the winter of 1901-1902, to abolish sugar bounties, and a variety of other circumstances had rendered the pressure from the Cuban side much less urgent. As a matter of fact, the administration found itself in an embarrassing position in the fall of 1902 through fear of what might happen if the Cubans should be unwilling to grant

us reciprocity even in case we should be willing to allow it to them. Hence the sending of Major Tasker H. Bliss to Cuba in the early autumn of 1902 to negotiate a treaty which should commit the Cubans to the idea of reciprocity with the United States, and which it might be easier to get ratified at this end of the line, than a bill to the same effect. Major Bliss' return with the treaty, the outcome of the elections in favor of the administration, and other circumstances, fully convinced the domestic sugar growers that assent to Cuban reciprocity in a formal way, at least, would be unavoidable. In a convention held at Washington early in 1903 the domestic sugar growers, bowing to necessity, were graciously pleased to yield their assent to reciprocity with Cuba, but in so doing, they had not yet said the last word. Their representatives in the Senate succeeded in introducing into the document prepared under the direction of Mr. Bliss, a clause, which, if it shall be ultimately preserved, will mean the total and ultimate sacrifice of South-American reciprocity for many years to come. The clause in question provided that so long as the treaty should last, it should not be lawful to reduce the duty on sugar coming from any other country than Cuba below the rates fixed by the Dingley tariff. It is upon such conditions that the Senate has ratified the treaty, which now awaits only the sanction of the House of Representatives to become law. The addition of this remarkable provision to the treaty by the domestic sugar growers adds another element of doubt to a situation already doubtful and makes it of double importance to decide whether we can afford to pay the price demanded for the whistle called "Cuban reciprocity."

IV.

The grounds upon which reciprocity with Cuba may be urged were fully stated in President Roosevelt's message to Congress of June 13, 1902. In that message, the President pleaded for reciprocity from four distinct standpoints. He contended that such reciprocity should be granted (1) because of a moral obligation to Cuba; (2) because of an alleged pledge given at the time the Dingley act was passed to adopt and put into force reciprocity treaties—owing to the unduly high tariff rates which had been provided for, with the distinct intention of lowering them when it should be practicable to negotiate such agreements; (3) because of the increased commercial

advantages which would accrue to us in consequence of the compensating reduction of duty to be made by Cuba; (4) because of political advantages resulting from the influence in Cuba probably to be acquired by us in consequence of generosity to the island.

This statement of arguments made by President Roosevelt fairly sums up what has been said by the pro-reciprocity pleaders of recent years. At first sight, it appears to be a rather heterogeneous mixture. It seems to prove too much. Any one of the arguments thus set forth would, if fully substantiated and allowed to stand alone, be a sufficient plea for the cause in behalf of which it is cited. But when it is sought to establish that the policy in question is the dictate alike of moral obligation, business advantage, political policy, and a promise already given, the argument seems almost to fall of its own weight. We can hardly do better, however, than to consider these arguments one by one, coming as they do from so authoritative a source and summing up most of the current discussion of the subject.

Of the various arguments for reciprocity with Cuba, none perhaps is hazier than that which claims a moral obligation on our part. This argument seems to be based upon two distinct contentions. The first of these is that President McKinley had promised such a reciprocity treaty. The second is that the Platt amendment, incorporated by the Cubans into their constitution was in itself such a pledge, or at all events evidence of such a pledge as, it has been claimed, President McKinley gave. Of the two arguments thus advanced, little or no weight needs to be given to the alleged promise of President McKinley. It has again and again been stated that such a promise was given, but up to the present time no documentary evidence to that effect has been submitted. On the other hand, it has been repeatedly stated on the floor of Congress that no such pledge had been offered, but that the Cuban delegation in Washington mistook kind words and promises of support from the President for an agreement on his part to see the reciprocity treaty through Congress. This portion of the claim, therefore, may evidently be neglected, and when it is further considered that, even supposing that such a pledge had been given, it must have been made without any authority from Congress, it is sufficiently plain that both the evidence that such a promise existed and any binding quality in the hypothetical promise, if it was ever made, are absent.

A more serious phase of this argument is found in the contention that the Platt amendment to the Cuban constitution constituted a practical pledge on the part of our Congress. Yet investigation will show that this argument is as empty as its companion piece.

The army appropriation bill containing this amendment was adopted by the Senate, February 27, 1901, and finally became law March 2, immediately following. As soon as the provisions of the Platt amendment had become known in Cuba there ensued a period of heated discussion. Many maintained that the Platt amendment would practically result in destroying Cuban independence. The right retained by our government in clause III to intervene for the preservation of Cuban independence, etc., was considered as giving us the authority to intermeddle with the affairs of Cuban government. An effort was made to destroy this impression by means of a dispatch sent by Secretary Root to General Wood on the third of April, in which the authority feared was expressly disclaimed. In spite of this protest, however, the Cuban constitutional convention continued to hesitate, until finally, June 12, 1901, it adopted an ordinance identical with the terms of the Platt amendment.

In discussing this important document, it does not appear that anything was said in Congress which would throw light upon the proper interpretation of clause I, regarding the power of Cuba to make treaties with foreign nations, except the general statement that the island should not thereby impair its independence. Commercial treaties were nowhere mentioned in the course of debates. Most of the discussion hinged upon our power of interfering in Cuban affairs for the purpose of preserving the independence of the island. The effort was made by amendments to the amendment to limit the authority granted in clause III, to interfere with the affairs of the island, either in case of foreign aggression, or in order to insure Cuban independence. No success, however, attended these attempts.

What the debate did do was to indicate very clearly the political authority which it was supposed this country might, upon occasion, assume. Senator Hoar described the amendment as :

"Eminently wise and satisfactory. . . . In substance, a proper and necessary stipulation for the application of the Monroe doctrine to the nearest outlying country . . . and under the circumstances one which the pro-

tection of the United States, as well as the protection of Cuba, fairly and properly requires. . . . I do not suppose that under this clause 3 the United States will ever undertake to interfere in such local commotions or disturbances as every country, especially every Spanish-American country south of us, is subject to. I do not suppose that is anybody's intention; but only in those grave cases where international interference is proper."

Naturally, the amendment was vigorously attacked by the Democrats, on the ground that to force such an amendment upon the Cuban Constitutional Convention was practically to violate our pledged faith in regard to the independence of the island by reserving the right to interfere and overturn the government whenever we might see fit. This view was expressed by Senator Jones, of Arkansas, in an extreme form:

"The reserving to the United States the right to maintain a government, the United States to be the judge of what that government is, adequate for the protection of life and property, would seem to me to be reserving to the United States the right to overturn the government of Cuba whenever it saw fit."

Senator Morgan took the same view, and further rebutted the contention of Mr. Hoar that the amendment was justified by the Monroe doctrine:

"The Monroe doctrine never had anything to do with a proposition like this. . . . It has no connection with that. That [Art. 3 of the amendment] gives us the right to go into one of these American states . . . [to] . . . exercise the power of the government of the United States for the maintenance of a government adequate for the protection of life, property, and individual liberty."

Senators Pettus and Tillman also forcibly expressed the opinion that the amendment was a distinct violation of the pledge to establish in Cuba an independent government. And an amendment proposed by Mr. Morgan, stating that the resolutions were submitted for the consideration of the Cuban Constitutional Convention and not as an ultimatum to Cuba was lost. Nowhere was it stated by the author of the amendment or by its supporters, and nowhere was it complained by opponents, that the obligation to look after the economic welfare of Cuba had been assumed by us.

Little needs be said of the contention that reciprocity with Cuba

is desirable in order to assure our prestige in Cuba and to still further support our control in the West Indies and our power over a prospective trans-isthmian canal. Since we already hold Porto Rico, since we could doubtless get the Danish West Indies if we were willing to pay a moderate price for them, and since the conditions of the construction of the canal are such as to render control of it, on the whole, of little worth, it might be concluded that the political argument could safely be disregarded and that political power in Cuba would be of small value to us in carrying out our canal policy. It may be, however, that there are some who would not take this view of the situation, but who would consider the possible acquirement of political control in Cuba to be worth the reciprocity price we are asked for it. To such persons, it would seem sufficient to suggest that the Platt amendment gives us all the political power in Cuba that we could properly obtain by any means whatever short of annexation. If, therefore, President Roosevelt and those who agree with him mean that reciprocity would be an easy means of promoting annexation (as was the case with Hawaii), this phase of the argument should be made clear. It is safe to say, however, that were it thus made clear it would call in few fresh supporters to the reciprocity movement. That the Dingley rates were put at a high figure for reciprocity purposes is undoubtedly true, but is an argument for reciprocity that applies quite as fully to all reciprocity as to reciprocity with Cuba. If, moreover, the latter will impede the general cause of reciprocity, argument based on the Dingley rates must fall to the ground.

The truth is that in discussing reciprocity with Cuba, the only argument that is really worthy of consideration is the claim that advantages in trade will accrue to us from such a relation. The question of trade may be looked at from two standpoints, that of Cuba and that of the United States. If we adopt the standpoint of Cuba, it will appear that the advantage to the inhabitants of the island flowing from reciprocity must depend upon whether they can succeed in getting a higher price for their products—chiefly sugar—in New York under a reciprocity agreement than they could if no such agreement existed. This in turn will depend upon two factors, viz, whether there be any demand for the Cuban product in New York and whether the product when raised and marketed in Cuba is or is not actually in the hands of Cubans or is owned by foreigners.

While the ownership of Cuban lands cannot be definitely stated, it is certain that large amounts of American and other foreign capital have been invested there, and that the benefit to be derived from sales of sugar at profitable prices would accrue only in part, if at all, to Cuban planters. Much sugar is sold on the spot to American buyers at ruling prices. It is also very questionable how far the ability to send sugar into the United States free of duty would benefit the planter since the existence of a close monopoly of the business of refining must inevitably imply as close a control of the demand for sugar and bestow upon the group of individuals who manage the refining industry the power to depress the price of the Cuban product by refusing to buy it. If in fact our refiners should, as is largely the case, pursue the policy of buying in Cuba at the rates established in the world market, and of buying no product in New York, it seems to be certain that the benefit of a tariff reduction would go to a considerable extent, if not wholly, to the refiners. In any event, none of the advantage would go to the American consumer, first because of the existence of the refining monopoly in the United States, and second because of the fact that our need for raw sugar so largely exceeds the supply of that article which could be produced in Cuba. So far as trade is concerned, therefore, it seems unavoidable that the advantages to be reaped from a reciprocity treaty will accrue chiefly to the American sugar refiner, and to some American manufacturers who may find in Cuba a market for their products which they would not otherwise have. Considering the interests of the American manufacturer, it is impossible to suppose that a 20 per cent reduction in our present high rates of duty would have as powerful an effect in turning Cuban trade towards us as did the free admission of Cuban sugar to the United States which occurred in pursuance of the treaty negotiated in accordance with the McKinley act. Yet under the McKinley act, our exports to Cuba increased only by from seven to twelve million dollars above what they had been, prior to the negotiation of the treaty, while our imports increased by some twenty-five million dollars, this increase being largely in sugar. The duties lost by us on the large increase in sugar imports were then greater than the total volume of trade added to our export business with Cuba in consequence of the reciprocity treaty. While it is true that the amounts of duties now to be sacrificed under the proposed reci-

procity treaty will be much smaller than at the time of our former experience, it is also true that the pull to be exerted by us upon Cuban trade will be, as just shown, much smaller now than it was then since the reductions of duty then offered to us ranged from total free trade on some articles to 50 per cent on others, while the smallest reductions of duty contained in the treaty were 25 per cent. On the whole, therefore, it is fair to expect that the amount of trade gained by our manufacturers would be smaller than the duties lost by the United States in consequence of reciprocity, and which would probably be paid, as we have seen, into the pockets of the refining monopoly which constitutes the sole market for the Cuban product in the United States.

As compared with the concessions granted us under our former treaty of reciprocity with Cuba, the reductions made in the new agreement do not seem very satisfactory. In return for the reduction of 20 per cent which we are to make upon all Cuban products, we shall receive a reduction of 25 per cent on machinery composed of copper, manufactures of cast iron or iron and steel, cotton and manufactures thereof, and various other articles. We shall also receive a reduction of 30 per cent upon butter, chemical products and drugs, some liquors, and certain manufactures, while 40 per cent is granted on knitted cotton manufactures, preserved fruits, paper pulp, wool and manufactures thereof, silk and manufactures thereof, rice and cotton. By a comparison with a treaty of 1891, it will be seen that many of the manufactures upon which we are now to receive a reduction of 25 per cent were admitted free under the original treaty, while many of those on which we are to receive a reduction of 30 per cent or 40 per cent were granted a reduction of 50 per cent under the earlier treaty. It would seem that there are few articles which receive better treatment under the new treaty than they did under the old. This is natural, since our concessions to Cuban products are so much smaller than they were formerly, it being understood that sugar constitutes the bulk of Cuban exports to the United States. While the number of articles of Cuban production actually mentioned in the McKinley act was small, the fact that they were admitted free of duty much more than makes up for the fact that we now propose to let in a large range of articles which are imported either not at all or in very small amounts.

A prime consideration worth attention in connection with the

pending treaty has been already suggested. This is the amendment which was added to the treaty of the beet-sugar men in the form of an addition to Article 8. That addition ran as follows:

"Provided, that while this convention is in force, no sugar imported from the republic of Cuba, and being the product of the soil or industry of the republic of Cuba, shall be admitted into the United States at a reduction of duty greater than 20 per centum of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, and no sugar the product of any other country shall be admitted by treaty or convention into the United States while this convention is in force, at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897."

It will be recalled that the commission sent by us to South America in 1884 reported distinctly that "in any convention we, on our part, must admit wool or sugar free of duty, or at greatly reduced rates." It has for a long time seemed to be out of the question to think of securing tariff reductions in wool, and if reductions in sugar are similarly put out of the question by a clause like the one just quoted, we shall be cut off from the use of either wool or sugar as a basis for South-American reciprocity. Inasmuch as the South-American commission regarded these commodities as the only ones upon which South-American reciprocity could be based, it seems also clear that cutting ourselves off from these means cutting ourselves off altogether from any possibility of South-American reciprocity. That being the case, the passage of the Cuban treaty will be a serious defeat for the cause of reciprocity in general, and, since most of the Kasson treaties were founded upon concessions in sugar to South-American countries, the acceptance of the Cuban agreement will mean that the Kasson treaties have been definitely laid upon the shelf for all time to come.

There is another point well worthy of note in connection with the pending reciprocity treaty. This is that we are already doing all that could be expected of us in protecting Cuba, by our policy of levying discriminating duties on sugar coming from other countries. Under the McKinley act of 1890, we merely admitted free the sugar product of Cuba along with that of several other large sugar-producing countries. Of these countries, some, at least, paid export bounties so that Cuban sugar, even when it enjoyed a free entry into the markets of the United States, was in an unfavorable position as compared with the products of other countries. At the

present time this situation does not exist, since we levy our discriminating duty on all bounty-fed sugars,—to which class that of Cuba does not belong. For that reason, Cuban sugar is really better off with regard to the United States market than it ever has been in the past. Should we grant to Cuba a reduction of 20 per cent in our tariff on sugar while at the same time we gave it the discriminating duty, we should be offering altogether unnecessary advantages to Cuba, and since, by the terms of the treaty, it is proposed that we cut ourselves off from making similar tariff arrangements with other foreign countries, these other countries would have, if they chose to seek it, unmistakable ground for complaint.

The truth is that reciprocity with Cuba, in its present shape, is a matter of no interest whatever to our consumers, and of very little interest to our manufacturers. It is of importance to the Americans who have become interested in Cuban lands, and it is of importance too, to the refining interest which hopes by this means to get its raw material cheaper. How far it will help the Cuban planter is problematical. To the American statesman, interested in our foreign relations, it is a question of absolutely no consequence unless he be an annexationist, for we already have a sufficient control of the West Indies and all the political influence in Cuba that reasonable men could wish for. Seldom, perhaps, in our history, has there been a more needless and unwarrantable drain upon public emotion and sympathy than in the case of the Cuban reciprocity controversy.